

Chief, Foreign Division
 Attention:
 Chief of Station, Vienna

28 December 1950

Operational

U.S. Activities

Reference: MAS-4-045

1. [] told me some time ago that [] had approached Wolfgang PFAUNDLER, member of the Usage organization (Hqs. Group, CC 15). He pointed out the Usage connection to [], and have been waiting to see how long it would take Usage to report the approach.
2. On or about 26 December 1950, Usage told [] without prompting, that PFAUNDLER had reported an approach by [] "some time ago" but that he had not told [] because "he did not want to spoil PFAUNDLER's opportunity". Usage's actual statement to [] was that PFAUNDLER had told him of an approach by an Austrian-born baron, now a U.S. citizen. Usage claims that he himself deduced that this was [], whom he knew as a former member of our predecessor organization. [] allegedly offered PFAUNDLER a job in the Austrian resistance movement. PFAUNDLER either did not tell Usage the exact details of the offer or Usage refuses to tell. It was merely indicated to [] that the offer was connected with the storage of arms for resistance purposes in the Tirol.
3. The significant part of []'s approach is that he allegedly told PFAUNDLER that he had gotten PFAUNDLER's name from a list, which had been shown him in Washington, of individuals "working for a German intelligence group". Usage is very sensitive about being identified with German intelligence and claims that that is his reason for deciding to report the incident to []. As in the case of []'s statements to KAEWISKY, the underlying implication is that the U.S. Intelligence Service is insecure and reveals the names of members of U.S. affiliated organizations to insecure individuals such as []. We can certainly see no reason for []'s saying that he had seen PFAUNDLER's name on a list of U.S.-sponsored German agents.
4. [] questioned PFAUNDLER on his relations with William BITSCHEAU (Usage TF 1) and asked him whether he knew that BITSCHEAU, according to U.S. intelligence records, was working for the French. Usage claims that PFAUNDLER denied categorically that he had ever worked for BITSCHEAU or for a German intelligence group. [] mentioned to PFAUNDLER that, although he was not in contact with [], he hated him and his "reactionary interests".

NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)

- (2)(A) Privacy ☐
 (2)(B) Methods/Sources ☒
 (2)(G) Foreign Relations ☐

Declassified and Approved for Release
 by the Central Intelligence Agency
 Date: 2005

BEST AVAILABLE COPY

11/11/13

5. [] will transmit the above information to FOE with a statement that it need not be disseminated to Headquarters since he had already passed it to the Salzburg Base with the understanding that Salzburg will forward it to Headquarters.
6. Since WIS-A-048 was written, we have asked [] whether it is possible that [] does not know him because throughout intensive debriefing by [] on the KARNIENSKI case and []'s activities in general, [] has never once referred to [] [] states that he was introduced to [] by [] and that he had last spoken to him in Alpbach, Tirol this past summer. [] insists that KARNIENSKI told him that [] mentioned [] very specifically. [] is thoroughly aware of the problems created by [] and has already undertaken strict measures to prevent their recurrence.

2 - Wash
2 - Vica
2 - Sals

2 cc: []

NOT AVAILABLE
2017 10/10/17
175